

AMENDED IN ASSEMBLY JUNE 11, 1998

AMENDED IN SENATE MAY 26, 1998

AMENDED IN SENATE MAY 21, 1998

**SENATE BILL**

**No. 2224**

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**Introduced by Senator Alpert**

February 20, 1998

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An act to add Section ~~24312~~ 24313 to the Education Code, relating to the State Teachers' Retirement System, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 2224, as amended, Alpert. State Teachers' Retirement System: benefits.

The State Teachers' Retirement Law requires specified member and employer contributions to be made monthly to the Teachers' Retirement Fund.

This bill would *require any member who retired under specified adjusted retirement allowance options prior to January 1, 1991, whose beneficiary had died prior to a specified date, to receive the retirement allowance without modification for option if certain conditions are met. This bill would also* require the transfer of a one-time gain accrued from the difference between those contributions in the 1997-98 fiscal year minus the normal cost as displayed in the June 30, 1997, actuarial valuation, for the purposes of paying the cost of adjusting *these* retirement allowances ~~of certain~~ ~~retirants whose beneficiaries have died,~~ thereby appropriating the funds for that purpose.

Vote: majority. Appropriation: yes. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section—24312 24313 is added to the  
2 Education Code, to read:  
3 24312. ~~With respect to any retirant who has retired~~  
4 ~~prior to January 1, 1991, and who had selected Option 2,~~  
5 ~~Option 3, Option 4, or Option 5, if the beneficiary has died~~  
6 ~~prior to January 1, 1995, and the retirant has not selected~~  
7 ~~a new beneficiary, the retirant shall be returned to the~~  
8 ~~unmodified allowance if the unmodified allowance is~~  
9 ~~greater than the amount received pursuant to the option,~~  
10 ~~plus the amounts from ad hoc benefit increases and~~  
11 ~~payments from the Supplemental Benefit Maintenance~~  
12 ~~Account.~~  
13 The  
14 24313. (a) Any member who retired for service  
15 under Option 2 or 3 with an effective date prior to January  
16 1, 1991, whose option beneficiary had died prior to  
17 January 1, 1995, shall receive, effective January 1, 1999,  
18 the retirement allowance without modification for option  
19 if all of the following conditions are met:  
20 (1) The retired member is living as of January 1, 1999.  
21 (2) The retired member has not elected a new option  
22 beneficiary under Section 24306.  
23 (3) The retirement allowance without modification  
24 for the option payable as of January 1, 1999, is greater than  
25 the amount payable under the option, plus the amounts  
26 from annual benefit improvements, ad hoc benefit  
27 increases and payments from the Supplemental Benefit  
28 Maintenance Account.  
29 (4) The retired member does not inform the system  
30 within 30 days of receipt of the notification of the change  
31 to the retirement allowance without modification for the  
32 option, of his or her election to continue to receive the  
33 option allowance.  
34 (b) Any member who retired for service under Option  
35 4 or 5 with an effective date prior to January 1, 1991,

1 *whose option beneficiary had died prior to January 1,*  
2 *1999, shall receive effective January 1, 1999, the*  
3 *retirement allowance without modification for the option*  
4 *if all the following conditions are met:*

5 *(1) The retired member is living as of January 1, 1999.*

6 *(2) The retired member has not elected a new option*  
7 *beneficiary under Section 24306.*

8 *(3) The retirement allowance without modification*  
9 *for the option payable as of January 1, 1999, is greater than*  
10 *the amount payable under the option, plus the amount*  
11 *from annual benefit improvements, ad hoc benefit*  
12 *increases and payments from the Supplemental Benefit*  
13 *Maintenance Account.*

14 *(4) The retired member does not inform the system*  
15 *within 30 days of receipt of the notification of the change*  
16 *to the retirement allowance without modification or the*  
17 *option, of his or her election to continue to receive the*  
18 *option allowance.*

19 *(c) The change to the retirement allowance without*  
20 *modification for the option, shall be consistent with*  
21 *Section 22453.*

22 *(d) A member retired for service who receives the*  
23 *retirement allowance without modification for the option*  
24 *provided under this section, shall not elect a new option*  
25 *beneficiary under Section 24306.*

26 *(e) The cost of this section shall be paid by the transfer*  
27 *for that purpose of the one-time gain accrued to the State*  
28 *Teachers' Retirement System from the difference*  
29 *between the contributions received pursuant to Sections*  
30 *22901 and 22950 in the 1997–98 fiscal year minus the*  
31 *normal cost as displayed in the June 30, 1997, actuarial*  
32 *valuation.*

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